

CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
BOND FINANCING PROGRAM
Meeting Date: October 27, 2010
Request for Amendment of
Tax-Exempt Bond Allocation Resolution

Prepared by: *Samantha Russell*

Applicant:	Crown Disposal Company, Inc. and South Bay Recycling, LLC and/or their respective affiliates	Amount Amended:	\$23,640,000
		Application No.:	00826
		Resolution No.:	08-242-10
Project	Los Angeles, Madera, San	Prior Actions:	IR 11/18/09
Location:	Mateo, and Tulare Counties		FR 8/25/10

Summary. Crown Disposal Company, Inc. and South Bay Recycling, LLC and/or their respective affiliates (the “Company”) received \$25,640,000 in allocation from the CPCFA board on August 25, 2010. During the closing process it was brought to the attention of the Company that a small piece of the project doesn’t qualify for allocation under federal tax law. This being the case the Company chose to issue bonds for \$23,640,000 of the \$25,640,000 allocated.

Pursuant to CDLAC’s statute, the performance deposit of an applicant must be forfeited in proportion to the amount of allocation awarded but not actually issued. To avoid a forfeit staff recommends amending the current Volume Cap Allocation Resolution for the Company to reflect the actual amount used—\$23,640,000.

Staff Recommendation. Staff recommends approval of amending Volume Cap Allocation Resolution No. 08-242-10 for an amount not to exceed \$23,640,000 for Crown Disposal Company, Inc. and South Bay Recycling, LLC and/or their respective Affiliates.

**THE CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
AMENDED
RESOLUTION NO. 08-242-10**

**A RESOLUTION DEDICATING FOR USE OF A PORTION OF THE 2008 STATE
CEILING ON QUALIFIED PRIVATE ACTIVITY BONDS FOR AN
EXEMPT FACILITY PROJECT**

WHEREAS, the California Pollution Control Financing Authority (“CPCFA”) has received an application (“Application”) from Crown Disposal Company, Inc. and South Bay Recycling LLC and/or their respective Affiliates (“Project Sponsor”) for approval of the issuance of revenue bonds; and

WHEREAS, on August 25, 2010, CPCFA approved Final Resolution No. 508 (“Final Resolution”) authorizing the issuance of up to \$25,640,000 of its solid waste disposal revenue bonds (Crown Disposal Company, Inc. and South Bay Recycling LLC Project) Series 2010 (“Bonds”); and

WHEREAS, in seeking CPCFA approval of the Final Resolution, the Project Sponsor represented certain facts and information concerning the project to CPCFA which were relied upon by CPCFA in approving the Final Resolution; and

WHEREAS, the California Debt Limit Allocation Committee (“CDLAC”) has previously transferred to CPCFA a portion of the 2008 State Ceiling on Qualified Private Activity Bonds pursuant to Section 146 of the Internal Revenue Code of 1986, as amended, for use by CPCFA to issue bonds or other obligations in a manner consistent with CDLAC’s policies and procedures. Accordingly, capitalized terms not otherwise defined shall have the meanings ascribed to them in the “Procedures of the California Debt Limit Allocation Committee Implementing the Allocation of State Ceiling on Private Activity Bonds” (“CDLAC Procedures”); and

WHEREAS, it is appropriate for CPCFA to confirm the use of a portion of the 2008 State Ceiling on Qualified Private Activity Bonds allocated to CPCFA (“CPCFA Allocation”) to the issuance of the Bonds as set forth in the Final Resolution;

NOW, THEREFORE, CPCFA resolves as follows:

Section 1. CPCFA Allocation in the amount of \$23,640,000 is hereby dedicated to the issuance of the Bonds. The dedicated CPCFA Allocation may be used only by the Project Sponsor and only for the issuance of Bonds for the Project, as specifically described in Exhibit A, and consistent with the terms of the Final Resolution. All of the terms and conditions of Exhibit A, and the Final Resolution are incorporated herein as though set forth in full (this resolution, the Final Resolution and Exhibit A, collectively “Resolution”).

Section 2. The terms and conditions of this Resolution shall be incorporated in appropriate documents relating to the Bonds, and the Project Sponsor and all its respective successors and assignees, will be bound by such terms and conditions.

Section 3. Any modification to the Project made prior to the issuance of the Bonds must be reported to the Executive Director and shall require reconsideration by the CPCFA before the Allocation may be used for the Project.

Section 4. The CPCFA Allocation dedicated by this Resolution shall automatically revert to CPCFA unless the Bonds for the Project have been issued by CPCFA by the close of business on November 24, 2010. In a case of extreme hardship, the Deputy Executive Director or the Executive Director may extend this date by up to five (5) business days.

Section 5. Within twenty-four (24) hours of issuing the Bonds, CPCFA shall notify CDLAC via the email or the fax number as provided in Section 5140 of the CDLAC Regulations that the Bonds have been issued. This notice shall identify the Project Sponsor, the project or program, the date and amount of the Bonds issued.

Section 6. Within fifteen (15) calendar days of the Bond closing, CPCFA or its counsel shall formally transmit to CDLAC information regarding the issuance of the Bonds by submitting the appropriate completed Report of Action Taken in a form prescribed by and made available by CDLAC.

Section 7. Any differences between the amount of Bonds issued and the amount of the CPCFA Allocation dedicated in Section 1 of this Resolution shall automatically revert to CPCFA. If at any time prior to the expiration date set forth in Section 4 hereof the Project Sponsor determines that part or all of the CPCFA Allocation dedicated in Section 1 of this Resolution will not be required by the Project by that date, the Project Sponsor shall promptly give notice to CPCFA.

Section 8. In consideration of the CPCFA Allocation dedicated in Section 1 of this resolution, the Project Sponsor shall comply with all of the terms and conditions contained in this Resolution and ensure that these terms and conditions are included in the documents related to the Bonds. Further, the Project Sponsor expressly agrees that the terms and conditions of this Resolution may be enforced by CDLAC or CPCFA through an action for specific performance or any other available remedy, provided however, that CDLAC and CPCFA agree not to take such action or enforce any such remedy that would be materially adverse to the interests of Bondholders. In addition, CPCFA shall ensure that the Bond documents, as appropriate, expressly provide that CDLAC is a third party beneficiary of the terms and conditions set forth in this Resolution.

Section 9. The Project Sponsor or its successor-in-interest shall provide certifications of compliance with the terms and conditions set forth in this Resolution when reasonably requested by CDLAC or CPCFA.

Section 10. This Resolution shall take effect immediately upon its adoption.

RESOLUTION NO. 08-242-10
(AN EXEMPT FACILITY PROJECT)
EXHIBIT A

1. Project Sponsor: Crown Disposal Company, Inc. and South Bay Recycling LLC
and/or their respective Affiliates
2. Application #: 00826
3. Project User: Crown Disposal Company, Inc. and South Bay Recycling LLC
4. Project Name: Crown Disposal Company, Inc. and South Bay Recycling LLC
5. Location: Los Angeles, Madera, San Mateo, and Tulare Counties
6. Credit Enhancement
or Private Placement
Purchaser: Union Bank
7. The Credit Enhancement Provider/Private Placement Purchaser at the time of issuance will
be the same as represented in the application.
8. Amount of Allocation: \$23,640,000